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**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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In re:	:	Chapter 11
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DELPHI CORPORATION, <u>et al.</u> ,	:	Case No. 05-44481 (RDD)
	:	
Debtors.	:	(Jointly Administered)
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**LIMITED RESPONSE OF LIQUIDITY SOLUTIONS, INC., AS ASSIGNEE  
OF HEXCEL CORPORATION, TO DEBTORS' THIRTEENTH OMNIBUS  
OBJECTION (SUBSTANTIVE) PURSUANT TO 11 U.S.C. § 502(b) AND  
FED. R. BANKR. P. 3007 TO CERTAIN (A) INSUFFICIENTLY  
DOCUMENTED CLAIMS, (B) CLAIMS NOT REFLECTED ON DEBTORS'  
BOOKS AND RECORDS, (C) PROTECTIVE INSURANCE CLAIMS, (D)  
INSURANCE CLAIMS NOT REFLECTED ON DEBTORS' BOOKS AND  
RECORDS, (E) UNTIMELY CLAIMS AND UNTIMELY TAX CLAIMS, AND (F)  
CLAIMS SUBJECT TO MODIFICATION AND RECLAMATION AGREEMENT**

Liquidity Solutions, Inc. d/b/a Revenue Management ("LSI"), as assignee of  
Hexcel Corporation, hereby files its limited response (the "Response") to the Debtors' Thirteenth  
Omnibus Objection (Substantive) Pursuant to 11 U.S.C. § 502(b) and Fed. R. Bankr. P. 3007 to  
Certain (A) Insufficiently Documented Claims, (B) Claims Not Reflected on Debtors' Books and  
Records, (C) Protective Insurance Claims, (D) Insurance Claims Not Reflected on Debtors'  
Books and Records, (E) Untimely Claims and Untimely Tax Claims, and (F) Claims Subject to

Modification and Reclamation Agreement (the “Thirteenth Omnibus Objection”).<sup>1</sup> In further support of its Response, LSI respectfully states as follows:

### **BACKGROUND**

1. On October 8 and 14, 2005, Delphi Corporation (“Delphi”), Delphi Automotive Systems LLC (“Automotive”) and certain of Delphi’s U.S. subsidiaries and affiliates (collectively, the “Debtors”) filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the Southern District of New York (the “Court”).

2. On or about June 30, 2006, LSI entered into an agreement (the “Assignment Agreement”) with Hexcel Corporation (“Hexcel”) with respect to assignment to LSI of a claim against Automotive in the amount of \$100,584.84 to LSI (the “Hexcel Claim”). LSI duly filed a notice of transfer of claim pursuant to Rule 3001(e) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) on or about July 6, 2006 [Docket No. 4450], which notice was amended on or about September 20, 2006 [Docket No. 5163].

3. On or about April 27, 2007, the Debtors filed the Thirteenth Omnibus Objection [Docket No. 7825], objecting to the Hexcel Claim on Exhibit E-3 thereto as a “Claim Subject to Modification and Reclamation Agreement”. As to the Hexcel Claim, among other claims, the Debtors assert that either (a) the Debtors and the claimant have entered into a letter agreement whereby the Debtors and the claimant agreed upon the valid amount of the reclamation demand or (b) the claimant has consented to the Debtors’ determination of the valid amount of the reclamation demand. See Thirteenth Omnibus Objection, at ¶ 49. Accordingly, the Debtors have proposed that the Hexcel Claim be divided into a priority claim in the amount

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<sup>1</sup> Capitalized terms used but not defined herein shall have the respective meanings ascribed to such terms in the Thirteenth Omnibus Objection.

of \$33,980.58 and a general unsecured claim in the amount of \$66,604.26, for an aggregate claim total of \$100,584.84. See id., at Exh. E-3 p. 15. Thus, the Thirteenth Omnibus Objection does not appear to seek a reduction of the Hexcel Claim at this time, but a partial reclassification of the claim to a priority claim. However, the Debtors have reserved the right to file additional objections in the future to the Hexcel Claim or any other Claim (filed or not) on any grounds. See id., at ¶ 54.

#### **LIMITED RESPONSE**

4. As a result of the Assignment Agreement between LSI and Hexcel, LSI currently owns all right, title and interest in and to the Hexcel Claim, including amounts that may be subject to any reclamation demand that Hexcel may have made. LSI has informally requested to the Debtors that it be permitted to withdraw Hexcel's reclamation demand and that the entirety of the \$100,584.84 claim be treated as an allowed general unsecured claim, but LSI has not, as of this date, received a substantive response from counsel to the Debtors. Accordingly, LSI respectfully requests that this Court either allow the Hexcel Claim, which under the Bankruptcy Rules is *prima facie* valid (see Fed. R. Bankr. P. 3001(f)), as a general unsecured claim in the amount of \$100,584.84 or adjourn the hearing on the Thirteenth Omnibus Objection as to the Hexcel Claim for a sufficient length of time for LSI to work with the Debtors to come to a mutual understanding as to the amount and classification of such claim.

5. In addition, due to the inefficiency and expense of responding to multiple objections to the same claims, LSI respectfully submits that once the Thirteenth Omnibus Objection is resolved as to the Hexcel Claim, that it should be allowed at the resolved classification and amount without being subject to further modification.

**CONCLUSION**

WHEREFORE, LSI respectfully requests that the Court enter an order: (i) allowing the Hexcel Claim as a general unsecured claim in the amount of \$100,584.84 or, alternatively, adjourning the hearing on the Thirteenth Omnibus Objection as to the Hexcel Claim for a period of no less than sixty (60) days; and (ii) granting such other and further relief as is just and proper under the circumstances.

Dated: May 22, 2007

Respectfully submitted,  
LIQUIDITY SOLUTIONS, INC.

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